

**CITY COMMISSION SPECIAL MEETING
CITY COMMISSION REDISTRICTING PLAN
FIRST FLOOR CITY COMMISSION CHAMBERS
CITY HALL - 100 NORTH ANDREWS AVENUE**

MONDAY, JULY 22, 2002 - 5:00 P.M.

Mayor Naugle called the meeting to order at approximately 5:00 p.m. Roll was called and a quorum was present.

Present: Mayor Naugle
Commissioner Cindi Hutchinson
Commissioner Gloria F. Katz
Commissioner Carlton Moore
Commissioner Tim Smith

Absent: None

Also Present: City Manager - Floyd T. Johnson
City Attorney - Dennis E. Lyles
City Clerk - Lucy Kisela

City Commission Redistricting Plan

Mayor Naugle proposed that staff make their presentation, along with the districting consultant, and then the public could give their input. He explained that the Commission's goal today was to get one or more plans set for public hearing in September.

Paul Costanzo, Community and Economic Development Department, stated that after many meetings, tonight began a series of official Commission meetings that would lead to the adoption of a redistricting plan at the September 17, 2002 meeting. Present at tonight's meeting were: Kurt Spitzer, consultant; Alan Watts, legal consultant; and Bill Pollock, GIS consultant. Mr. Spitzer had developed six draft plans, and in addition six draft plans were submitted by various community organizations regarding the redistricting.

Kurt Spitzer, Consultant, stated that the Commission adopted their criteria three months ago at a workshop meeting which guided the consultants in the redistricting process. He stated that he would briefly review the criteria, and then proceed to explain the maps that were prepared, and finally review the maps submitted by the communities.

Mr. Spitzer began reviewing the criteria as follows: (1) Use census blocks which was the best source of data and was the official source of data used in redistricting. (2) Have a deviation from the average district size of no more than 3% over or under. (3) Not dilute

minority voting strength, and all maps, excluding Plan 7 accomplished that goal. All the community maps also accomplished that goal. (4) Recognize existing district boundaries. He explained they had district shapes that were relatively compact and attempted to not split neighborhoods by district boundaries. (5) Do not split voter precincts by district boundaries. Data had been received from the Supervisor of Elections that some voter precincts had been split by district boundaries and there were some split by municipal boundaries. The Supervisor was more concerned with the district boundaries of the House, Senate, Congress, School Board, and the County Commission. There were some precincts that were split by the boundaries in all of the plans. He suggested that if the Commission could center upon one particular plan, he would show where the precincts were split by district boundaries.

Mr. Spitzer stated that they recognized significant natural and man-made boundaries, major roadways, and water bodies. Two criteria that were possible to consider that the Commission did not direct the consultants to utilize were future growth and party affiliation. In addition to the map of the existing district boundaries, they prepared six other maps. The existing district boundaries showed what the target population was and could give the amount of each district and whether they were over or under the target. Several plans that were prepared were centered around Plan #1, and basically this plan moved Melrose into District III, and moved Riverland into District IV.

Commissioner Smith asked about the population figures and stated he was curious how they got a list of population per neighborhood and asked if they used census information. Mr. Spitzer stated that they used census tract information the best they could. Commissioner Smith asked if there was an overlay of census tracts for the City that could be put up on the map to show where they were located. Mr. Spitzer stated there were, but the boundaries of neighborhoods as provided by City staff were not co-terminus with census block boundaries. It was an approximation on the consultant's part as to how many people lived in a particular neighborhood.

Mr. Spitzer stated that the neighborhood data was produced in order to make it easier for members of the community to prepare their own maps. They did not rely on this data in order to craft districts. Mr. Spitzer explained that the existing commission boundaries in some cases did not follow census blocks, and when they developed the existing plan they attempted to plan the existing boundaries as close as possible to census blocks.

Mr. Spitzer stated that Plan No. 1 had the basic tenants. Plan No. 2 and No. 3 moved Melrose and Riverland into District IV. The beach communities from District IV would be moved to District II. The difference between the two plans centered around what was the northern boundary of District IV. Two other plans were prepared as a result of suggestions received at the committee meetings. One was Plan No. 6 which sought to locate all of the beach area into one particular district. Plan No. 7 sought to have all four of the districts contain part of the beach.

Mr. Spitzer continued stating that there were six additional plans suggested by the

community. All of the plans of the 5 series, whether c, e or f, bisected three districts in the central City area. Districts IV, III and II met in the central City area, along with Plan 1A.1. Two other plans, Plan 1.1 and Plan 1.2 were similar to one another in that they had their origins from Plan 1. Plan 1.1 did not split Flamingo Park and River Run remained split. Plan 1.2 was similar, but the southern tip of District I, Sunrise Intracoastal, would be moved to District II. They attempted to include as much of the area north of the central City area to remain in District III, including City View. He suggested the Commission give them direction as to which plan they should consider. He stated that Alan Watts would discuss the deviations in the plans that exceeded 3% and 5%.

Alan Watts, attorney, stated that the standard given the consultants to work with was a plus or minus 3% deviation. All the maps, except 1.2, met that standard. Map 1.2 had a deviation in excess of 8%. Constitutionally, the standard was expressed by the US Supreme Court as a total spread between the highest and lowest of 10%. Some states had specific plus or minus 5% standards, but Florida was not one of those states. He stated that the May, 2002 Reapportionment Decision of the Florida Supreme Court acknowledge the Supreme Court's decision that stated anything up to 10% was considered a minor deviation, but beyond that you would have to show some compelling government interest.

Mr. Watts stated that if you looked at the raw numbers of population in Map 1.2, District III appeared to be high in population, and District I lower in population. Looking at voting age population, the rankings were reversed. Mayor Naugle reiterated that the Constitution instructed them to go by population. Mr. Watts confirmed unless there was data and specific interest to show otherwise. Mr. Watts added that they could not show from the voting age population, how many were actual voters.

Commissioner Smith stated that on 1.2 the deviation for District II was 3.5% minus and for 1, 3.7%, but he stated that Sunrise Intracoastal was happy in District I. Therefore, he wanted to know if there were population figures for that portion. If they were to keep that area in District I, what would the deviation be for District II.

Mr. Watts stated that he did not have those figures but could get them. Commissioner Smith stated that he thought it would raise the negative deviation in District II to similar positive deviation in District III. Mr. Watts stated it would tend to equalize the differences between them. He explained that currently District II was a negative 3.5%, and District III was a positive 5.1%. Mayor Naugle stated that in crossing the Intracoastal, they picked up some large condominiums that could throw the numbers off. Mr. Watts explained that District II would go down to a minus 6.14%. There would be a total spread of 11 1/4%.

Mayor Naugle suggested the plans be put on the screens as they were discussed so everyone could be familiar with the areas in question.

Mayor Naugle asked if any individuals from the public wished to speak on this matter.

Bill McCormick, President of the Ft. Lauderdale NAACP, stated that they supported the 1.2 map. They wanted to make sure that the plan would reflect the values and interests of the community as a whole, a fair plan for all parts of the community so a representative could be elected to consider their needs and interests, and that they complied with the one person - one vote requirement in the Constitution, as well as complying with the 1965 Voters' Rights Act. Section Two of that Act protected the voters under the election procedure and would not deprive them of having an effective vote due to color, race, or membership in a language minority group. He continued stating that they wanted to insure there was no retrogression and vote dilution. This map 1.2 represented a fair representation for all citizens in the community.

Ruth Marks, Vice President of the Tarpon River Association, stated that their last association meeting was devoted to the redistricting plan. It was the consensus of the area to support Plan 1.1. The members present felt it made geographic sense and met with and included the concept of diversity and fair representation of the minority groups. Ms. Marks stated that she explored the representation of the Hispanic population and was pleased it had been brought into the district. Previously, their voice was not heard in one specific district and encouraged the Commission to take account of this population.

Commissioner Moore asked Mrs. Marks if they had reviewed Plan 1.2. Mrs. Marks stated that they had not had sufficient time to review it, but she did begin studying it while at this meeting, but it appeared to be skewed and she stated that she would like to have more of an opportunity to review it and review it with the neighborhood.

Erica Hope, President of the Riverside Park Residents Association, stated that they wanted to remain in District IV. They strongly endorsed Plan 1.1. They believed this map was better for their neighborhood which also met the legal requirements for demographic representation.

Commissioner Moore proceeded to ask Ms. Hope if they had an opportunity to review Plan 1.2. Erica Hope stated they did review Plan 1.2. Commissioner Moore asked if 1.2 made any changes to the impact on District IV of Plan 1.1. Ms. Hope stated that it did not.

Gina Ellis, President of the Harbor Inlet Association, stated they supported Plan 1.1. They did review Plan 1.2 and the District IV neighborhoods did not have a problem with it, but she did not know how District I felt about it. Commissioner Moore asked if Plan 1.2 changed the geographic boundaries of what their group supported in Plan 1.1. Ms. Ellis stated it did not.

John Klineledler stated that Sailboat Bend was in favor of Plan 1.1. He continued stating that he did review Plan 1.2 and spoke to his colleagues in District IV about it, and they felt this could be a potential back-up plan.

Nick Sanofski stated that he just saw Plan 1.2, but wanted to point out that with the 10% range between the lowest populated district and the highest, he felt they should also look

at the racial composition of the districts from a legal point of view. As a matter of reality, by putting the largest district at 80% African/American, and the two smallest districts predominantly white, one put the burden on the minority community by placing more of them in a single district and diluted the voting strengths. He felt that Plan 1.2 was the least progressive of the plans and the one most subject to challenge. Commissioner Moore asked Mr. Sanofski if he was aware that Plan 1.1 was also 79%. Mr. Sanofski reiterated that he was not talking about the racial strengths within the district, but the question was whether they were putting a lot of people of a minority in a large district. He felt it would give white voters more power than black voters and this was not the desire of the Supreme Court. He continued stating that black voters were concentrated in one district and they were not supposed to do that. They were to provide the opportunity for minority representation, but not dilute minority voting. He continued to explain that the discrepancy became greater if you moved the Sunrise Intracoastal back into District I.

Betty Hayes, Secretary of River Run, stated that no matter which plan was chosen she would be in the same district. Her Association could possibly be split between District III and District IV. She stated that she was one of the four people chosen to select the consultant and was involved in this process since the beginning. After all the meetings were held the proposals were reviewed and the consensus was Plan 1.1.

Arthur Lane, Melrose Park Community Affairs Chairperson, stated that he worked on three different plans for the community. The first plan he proposed was 5e. One of the things considered was the lack of balance between the representation for the western districts. More than half of the population was west of US1 and they only had one Commissioner involved with that area. East of US1 had three Commissioners and the Mayor and this made it quite unbalanced.

Mr. Lane then proceeded to propose Plan 5f. It would bring District III to US1 and reunite River Run and Flamingo Park which currently were split. He continued stating that their third choice was Plan 1.1. He stated that District III had no prestigious area.

Ron, South Middle River Civic Association, stated that the area wanted Commission's support for 1-1. District II gained a lot of knowledge working with various groups in an effort to better their neighborhood, and therefore, they wanted this to move forward.

Dean Trantalis, resident of District II and candidate for City Commission, stated that numbers and federal and state requirements were discussed for redistricting, but to him the most important consideration was in keeping neighborhoods together. He felt that 1A took into consideration the concept of neighbor-to-neighbor instead of the areas being divided. He stated there was a pull 'n tug over City View and District III wanted it to stay in that area, but in looking at the demographics of City View and the adjacent neighborhoods, it seemed more logical to keep City View in District II and not divide it. Also, he added that 1A incorporated Sunrise Intracoastal which Commissioner Smith thought of including in District I. In terms of trying to modify the best intentions of the consultants, he felt Plan 1A was the most appropriate.

Buddy Lochrie, Colee Hammock Association, stated that Colee Hammock and Beverly Heights were presently in District IV and they wanted to remain there. He continued stating that they had no problem with Plan 1.2 except for its constitutionality. They supported Plan 1.1.

Kelly Manning, President of River Oaks Civic Association, stated that they were in support of Plan 1.1. She stated that she was confused about 5f taking District III to US 1. In reviewing all the Plans, she felt 1.2 was close to Plan 1.1, but Plan 1.1 served all the objectives.

Roosevelt Walker, resident, stated that he complained about the process at some of the meetings. He felt the consultants stayed within their parameters so as not to cause any adverse affects on the City. He stated that he supported Plan 1.2.

Antoinette Jacobson, resident, stated that she was there on behalf of Flamingo Park Civic Association who supported Plan 1.1. They reviewed Plan 1.2, but strongly supported Plan 1.1.

Mayor Naugle stated that he hoped the Commission could choose a Plan that satisfied everyone.

Commissioner Smith stated that it was unfortunate that they missed out on a Commissioner to handle the Beach. He stated that he had handled 2/3 of the beach and their issues were very different and would be better represented with one Commissioner. He stated that he attempted to draw a map that would do this, but in order for this to happen another district would have to be added. He felt this would be something that would have to be addressed in the near future. He stated that the daytime population was up to 500,000 and he felt that they should add an At-Large Commissioner that could handle the beach.

Commissioner Smith stated that Plan 1.1 or Plan 1.2 would be advantageous to everyone. He stated that each district had various issues regarding the redistricting. He stated that presently City View was split in half, and he felt this should be in only one district. He asked if City View could be taken out of District III, and by using Plan 1.2 add Sunrise Intracoastal into District I, and add City View back into District II. Mr. Spitzer stated that was basically what comprised Plan 1.1. Commissioner Moore stated that Plan 1.1 removed Regal Trace and City View and other parts of the district between N.W. 7th and 9th Avenues, including the Connector.

Mr. Spitzer clarified that Commissioner Smith was suggesting to include City View in District II. Commissioner Smith stated that if the railroad tracks were the border for District II down to Sunrise, then everything west of the tracks would be District III, with the exception of City View which would be added back to District II. Mr. Spitzer stated that District II was under populated by 8% and District III was over populated by 7%, making a differential of 15%. Commissioner Moore suggested they go to Plan 1.2 and remove City

View and the numbers would be given. Mr. Spitzer stated that the deviations were that District I was minus 1%, District II was minus 5.76%, District III was positive 4.7%, and District IV would be positive 2.13%. There would be over a 10% deviation.

Commissioner Moore suggested this proposal be given a number so it could be referred to in future discussions. This proposal would be designated as Plan 1.3.

Commissioner Hutchinson stated that she wanted to keep this process simple. She stated that her district was being torn apart this evening. She stated other government entities got into litigation due to redistricting efforts, and she felt this would be an opportunity to clean up some problems and pull the two annexed areas into the districts and move forward.

Commissioner Smith stated that the Waverly was currently being built on the corner of Broward and Federal and would house approximately 300 people, and he asked how they would take those people into account. Mr. Spitzer stated that the Charter required they use the most recent census data, and therefore, they did not exist. Commissioner Moore stated they could use this in the Commission's deliberation as to why they would be justified regarding the deviation. He felt they could use this based upon future development.

Commissioner Moore stated that he supported Plan 1.2 because District III supported all the redevelopment projects for the area. He stated that the community was concerned that once things began getting developed, the individuals who were the benefactors of the advocacy of the district were saying they wanted to be elsewhere. The diversity happening in City View was what the district always stated should be for that urban core and it was successful. He reiterated that Plan 1.2 was the best. He stated that Plans 1.1, 1.2 and 1.3 should be considered.

Mayor Naugle stated that three different maps could be forwarded to the public hearings for deliberation in September after the community had time to review all three maps.

Commissioner Hutchinson clarified that in order for the software to be available for everyone the cost would have been another \$50,000. The City Manager stated that at one point in time they were talking about an additional \$50,000 to \$80,000. He stated that after the last meeting, he suggested that his office would work with any community group at any hour with no cost to get to today's deliberations. Commissioner Moore stated that not knowing what the cost would be for the consultant attending additional meetings, it might not have been that dollar amount. He was not sure that was in everyone's best interest. He stated that every other governmental entity offered the feature of people having the software available on their computers. He agreed the price tag was always a consideration, but should it be paid for the people or to the consultant. He reiterated that at the first meeting it was decided to make the information available to the community.

Mr. Spitzer stated that his cost was much less than \$50,000 and probably was around an

additional \$6,000. He pointed out that the original contract was to produce three maps and they produced 12 to 14 maps. There were numerous meetings and the basic premise of their proposal was to have this on the web so it would be available to everyone. They did not push out the ability to redraw and recalculate because that would cost \$40,000 to \$50,000 extra and would have taken additional time to do.

Commissioner Smith offered that they go to the consideration of a public hearing on September 4, 2002 with the three recommendations of Plans 1.1, 1.2 and 1.3 and that the consultant verify the deviations in Plan 1.3 giving the community the opportunity to review that Plan.

Commissioner Katz stated that she concurred with putting all three maps forward for public hearing. She felt they were moving in the right direction.

Commissioner Smith concurred and stated there were three condominium projects approved for the Beach. He would like to know how many people were represented in those projects and asked for this information to be presented in September.

Mayor Naugle stated that he hesitated counting that future population because new units were also presented in District IV, and therefore, all new developments would have to be considered. Commissioner Smith stated that it would not bring up District IV's deviation to make a difference. Mayor Naugle stated this would have to be done city wide and not only for certain areas.

Motion made by Commissioner Moore to offer Plans 1.1, 1.2 and 1.3 for public hearing in September, and seconded by Commissioner Katz. Roll call showed: YEAS: Commissioners Smith, Moore, Hutchinson, Katz and Mayor Naugle.

BridgeSide Square Area Park Parcel

The City Manager stated that Mr. Phil Thornburg submitted a memorandum to the Commission. He stated that at the last meeting Commissioner Moore brought forward the challenge of attempting to purchase the property and asked that other alternatives be reviewed. The City Manager stated that the bottom line on Mr. Thornburg's memo was that they could not move forward until appropriate appraisals were received on the property. He stated that it was thought that the price exceeded \$2 Million which was the cap.

Phil Thornburg, Parks & Recreation Department, stated that until the appraisals came in they could not say how much money could be gotten from the County. The County was willing to give a 10% cushion of the average of the two appraised values, but would not give more than \$2 Million for any specific parcel.

Commissioner Smith stated that the County recently approved a parcel far above the 10% of the appraised value, but he felt they needed to decide if they wanted to move forward as a City in order to take advantage of the County's \$2 Million which would become

available if the City was willing to pay off the \$211,000. Mr. Thornburg agreed.

Mayor Naugle asked when the appraisals would be completed. Mr. Thornburg replied they were averaging 30-45 days. He felt they would be ready by September.

Commissioner Katz stated that she was not clear about the assessment of \$211,000. Commissioner Smith replied that it was a total of \$211,000 and that the entire area assessed themselves for improvements, so the parcel separate from everyone else was assessed for the \$211,000. There were buyers for the land so the owner wanted an assurance that this was going to be done.

Mayor Naugle stated that he was looking at the map and asked if the area labeled 1A was the parcel the owner was willing to sell. Commissioner Smith confirmed. Mayor Naugle asked if the proper owner also owned 1B. Commissioner Smith confirmed. Mayor Naugle asked if the assessment was only for 1A. Commissioner Smith agreed and felt they should go back to the owner and explain their position.

Stephanie Toothaker Walker, attorney, stated that she wanted to clarify what the deal consisted of that was being offered to the City. She stated that the law firm owned both parcels 1A and 1B and the \$211,500 assessment was against the entire property comprising of both parcels. Two options were offered to the City. The first option was that the City buy the entire parcel, both 1A and 1B, and the owner would be responsible for the assessment and the City could close on the property 60 days from August 1, 2002. This would cost \$2.5 Million. The second option was the parcelization shown on the map distributed to the Commission. Under this scenario, the property owner would sell parcel 1A to the City for \$2 Million which was allocated under the Bond Program with the understanding that the City would absorb the assessment against the entire property. The City would be able to close on parcel 1A within 60 days from August 1, 2002, and the property owner would then give the City an option on parcel 1B at the price of \$500,000 with a time period of six months to work out the allocation of funds to purchase this parcel. Ms. Walker stated the property owner would also agree to work with the Trust for Public Land and assume any costs associated with it.

Commissioner Smith clarified the options being offered. Ms. Walker clarified that option one was that the City would pay \$2.3 Million for both parcels and the owner paid the assessment. She reiterated that in option two the City would pay \$2 Million for parcel 1A and assumed the assessment of \$211,000, with an option on parcel 1B.

Commissioner Katz stated that she did not think they should be rushed into this deal. Ms. Walker stated that when the owners were approached by the City to purchase the property and the Bond money was allocated, they were already in negotiations with other potential purchasers for the property. In an effort to work with the City and give them time to work out the details, the owner put the previous purchasers on hold. Time was money and the owners wanted to know if the City wished to move forward on this deal.

Greg Kisela, Assistant City Manager, stated they were using their appraisers. Bids would be taken and the lowest two of the three bids would be chosen. The developer would have one on the list and so would the City.

Commissioner Katz stated that it sounded like they were asking the City to come up with \$2.5 Million because they did not want to wait around to see if the County would disburse the money. Commissioner Smith stated that the County would give \$2 Million for the park, but nothing more. The property owner asked for \$2.3 Million. So for an additional \$300,000 the City could obtain both parcels or they could take the \$2 Million from the County, forgive the assessment and get the big parcel, with an option to buy the smaller parcel down the road. Commissioner Katz felt the later option was what the City should do since they had not yet received any appraisals.

Commissioner Moore asked if this was a doable project and would it meet the satisfaction of the community if the entire parcel was not involved. Commissioner Smith stated they wanted the whole parcel and he was in favor of adding the additional \$300,000 to the deal. Commissioner Moore stated that he would like to start with that basis and if the appraisal for the additional property met this, then he would like to consider those facts. If there could be an open green space fully developed, he had no objections. He did not want to put a deal on the table that did not meet an appraised value of the property. This was the compromise he was willing to offer. Commissioner Smith agreed.

Greg Kisela stated they needed to make the deal contingent on the appraisals. The Commissioners agreed.

Motion made by Commissioner Smith and seconded by Commissioner Hutchinson.

Ms. Walker asked if the Commission could recap what they were proposing.

Commissioner Smith stated that if the big piece of property was worth \$2 Million, the Commission would allow the County to give them the \$2 Million and they would then find a way to write off the assessment through whatever means the City Manager decided. If the appraisal was not for \$2 Million then there would be a problem.

The City Manager stated that they could not forgive the assessment, it had to be paid. One way of doing that was to pay it over time, not to exceed 10 years.

Commissioner Smith stated that in the meantime they would apply for an FCT grant for the little parcel.

Ms. Walker stated that the Commission proposed a compromise, but she had been given two options to present to them. She, therefore, wanted to make it clear that this was something she had to take back to her clients and explain the proposal being offered.

Commissioner Moore reiterated that if the appraisal was lower than the \$2 Million, the

Commission would advocate that the County use the remaining monies for the acquisition of the remaining land.

Roll call showed: YEAS: Commissioners Smith, Moore, Hutchinson, Katz and Mayor Naugle. NAYS: None.

Commissioner Smith recognized the community leaders from the area pushing for the park.

Commendation for City Attorney

Mayor Naugle stated that the next item of business was unscheduled and would be presented by Commissioner Katz.

Commissioner Katz stated that Dennis Lyles, City Attorney, would be leaving and this was his last meeting. She presented him with a commendation.

Dennis Lyles thanked everyone and stated it had been a great honor to serve the City of Fort Lauderdale since November, 1987.

Mayor Naugle stated they would now take up the recessed meeting of the Fort Lauderdale Redevelopment Agency. Roll call showed: Present - Commissioners Katz, Smith, Moore, Hutchinson, and Mayor Naugle.

Konover Project - Development Agreement between the Fort Lauderdale Community Redevelopment Agency and Broward Barron, Inc.

Mayor Naugle stated that Pete Witschen would give a report on the contract for the Konover Project.

Pete Witschen, Assistant City Manager, stated that they wanted to get the Konover matter moved forward. The last status report showed four open items. One was the concept of a performance bond versus reversionary rights. The second was the number of years that the restrictive covenants would stay on the project, and the next was the philosophy of whether or not to use the prohibited or permitted uses. Finally, there were some open insurance issues.

Mr. Witschen stated they made progress on a number of these items. He explained that one of the big issues of concern was restrictive covenants. At this point there was an understanding between the developer and staff to present that the restrictive covenants would stay on the project until completion which could be 5-7 years. As with any other agreement, the more one reviewed it, the more issues cropped up. Another scenario was what if there was a tax exempt or tax free user on the site such as the School Board or a State building. There was conceptual approval to put a payment in lieu of taxes provision into the contract to deal with that. Another issue that arose was that it was appropriate to

include targets for MB's and WBE's. At this point there was a target and it would be reported on a quarterly basis of 25%.

Mr. Witschen continued stating that an area that presented additional complications was the theory that they would proceed with a bond and remove the reversionary rights. The concept was that at the developer's cost the first two buildings would be bonded, and if the CRA chose to bond buildings 3 and 4, there would be an option, but no obligation, to do so.

David Cardwell, Special Counsel to the CRA, stated that there were two issues he wanted to discuss in an attempt to reach a resolution. One was the project development schedule. From their standpoint this was important to the City because in terms of enforcing the agreement to fine the developer and default during any time of the development, this was tied to when defaults would occur under the project development schedule. The difference was philosophical, but nevertheless, it went to the effectiveness of the City's remedy in the event of a dispute. The developer proposed a schedule attached to a term sheet that was negotiated between staff and the developer. It was a forerunner to the Development Agreement and provided for certain dates which had already passed for the project to commence. Then, certain events such as commencement of construction of various buildings or completion of construction of various buildings would flow from other events.

Mr. Cardwell stated that their concern was that the City's enforcement mechanism was based upon default and the development schedule. It should be more specific so the City would know of an exact day when there was a violation versus attempting to calculate a day. The developer felt this was not reasonable due to the uncertainties that occurred during a project, including how long it would take to obtain permits. He stated they were attempting to merge these two concepts so there would be sufficient certainty from the Agency's standpoint as to when things should actually occur, and if they didn't the City could find the developer in default. At the same time, the developer would get sufficient flexibility so they would not be locked into an unreasonable schedule. At this point this issue remained unsolved.

Mr. Cardwell continued stating that the other went to a remedy prior to any commencement of construction. An issue last week that had been resolved pertained to performance and payment bond versus the reversionary rights to the Agency. He explained that in the event of a default, the Agency had the right, but not the obligation, to repurchase the property. Should this project fail, they wanted to be assured of getting the property back. The developer countered this with saying that having the reversionary interest after commencement of construction significantly complicated their ability to obtain construction financing. It injected the Agency into the borrower/lender relationship. At the same time, they realized their interest was not that they were going to purchase the property back, but they wanted to see the development occur and be completed.

Mr. Cardwell stated that when the documents were being changed to reflect the above

conditions, it left a gap. The gap was from when the property was conveyed to the developer to the commencement date. If construction was never commenced the bond, which was sought to be the remedy to make sure the project was built, would never kick in because construction financing was not obtained nor was there any surety bond. If there was a default by the developer prior to commencement of construction, they felt that was not discussed, and was a different situation which evolved as a result of the changes. Therefore, they suggested to the developer that the Agency needed an option to repurchase the property if there was a default for not starting on the commencement date as provided in the development schedule. The developer objected and felt there were other remedies that could be explored. Mr. Cardwell believed there was sufficient flexibility for the developer because there were ways built into the agreement whereby the schedule could be extended due to events beyond their control. Relief was also asked for in the event of adverse economic conditions.

Mr. Cardwell further explained if they were found to be in default due to not commencing construction, they had 60 days to cure the problem. There has been no understanding or conclusion between staff and the developer, but wanted this to come before the Commission.

Pete Witschen stated there has been a substantial amount of progress made, but he wanted another 60 days to have the Development Agreement progress. He stated that there were challenges with HUD and they had to attempt to get reversionary repurchase rights so the Lake View issue could close. The property had been vacated and there was a challenge to the Housing Authority and the City, and until the reversionary interests were removed, there was a title defect which could compromise the closing of the property. He proposed the Commission to consider that a delegation of corporate authority on the two open items be delegated to the City Manager in hopes that language could be written to meet the development team's approval and be responsible to the Commission and their business interests.

Charlie Ladd, Broward Barron, Inc., stated that he wanted to expound on Mr. Cardwell's comments. He stated that this project was awarded to them by the Commission in October, he felt they did everything to accommodate staff and what they felt were the needs of the City in order to protect the City and get the development as originally proposed. He felt a lot was thought process by the staff to protect the City. He felt the problem in getting the two outstanding issues resolved immediately was that they arose today. One problem was permitting and they did not want to put themselves in a position of being in default of the agreement. He stated that they would work with staff to arrive at some sort of structure that would protect the City.

Charlie Ladd continued stating that the second issue had to do with reversionary rights. They were leery about bonding buildings and had never done so due to getting waivers based upon their financial backing and track record. He explained they did not want to bond something that did not need bonding in their mind. It was a purchase and not a lease for the land and when staff offered the compromise of bonding the first two buildings, they

agreed. The new concept of half a reversion was something they would have to review and arrive at some comfortable conclusion.

Commissioner Moore stated that early in the negotiations he heard Commissioner Smith's experience with the Broward Barron group and Coral Springs experience in working with them, and he was happy to have the type of effort this company made in moving this project forward. He stated that the additional time being asked for should start tomorrow morning and did not want things delayed.

Pete Witschen stated that Wednesday was a more realistic date for staff. Commissioner Moore reiterated that a 24-hour break could be given, but he wanted to urge staff to negotiate this and didn't want matters delayed. Commissioner Moore asked what the alternatives were for gapping the bridge.

Jim Kohl, Counsel to Broward Barron, Inc., stated that on the second issue their concern was that they not be held responsible if there were delays in the issuing of permits. The City proposed that they respond within a given period of time regarding issuance of the permits and bound the City to another shorter length of time to respond to revisions that would be submitted. Based on this, they felt they could live within those time frames. Pete Witschen stated that it would basically emulate the expedited permit process. The time frames could be met if things were expedited.

Commissioner Moore agreed and felt it made sense. The City Manager stated that there were language issues that needed to be dealt with, and there should be no problems.

Commissioner Moore asked if they were comfortable with the sliver of land owned by the County and the issue of the County becoming involved in the process. Pete Witschen stated that part of the interlocal there was some specific language that required a building permit be issued within a period of five years. He felt that would not be a formidable challenge. Mr. Caldwell explained that the interlocal agreement provided that in the event a building permit was not issued for any of the Konover site within five years from the effective date of the interlocal agreement, which was not yet effective, the small expansion parcel would drop out of the CRA, and it provided that either party could terminate the agreement if no construction had commenced. He further pointed out that under their building plan if they stay close to schedule, construction would commence in the time frame. Mr. Caldwell also stated that part of the County's approval of the expansion was that they got periodic status reports, but did not have any direct participatory role.

Commissioner Moore asked if the 100 single-family infill products could be existing structures that could be turned into an owner/occupied unit. Pete Witschen confirmed.

Commissioner Katz stated that many hours were spent on the negotiations, and she reiterated that if they agreed to allow Mr. Johnson to handle this, and it not come back to the Commission, she wanted to make sure that Mr. Johnson and Mr. Caldwell would keep in mind that protection of the City was of the utmost importance. She stated that she did

not want the property sitting there with nothing happening for five years.

Pete Witschen stated that this agreement called for the Commission to sit in as the CRA Board would approve on or before December 1, 2002 a concept site plan.

Commissioner Smith asked when would the dilapidated building be demolished. Pete Witschen stated that assuming they were fortunate with HUD and the challenges could be removed, September 24, 2002 would be the closing date, and the contract required that within 21 days the demolition had to start and be completed within 45 days. This could be altered if the reversionary issue with HUD was not solved. He felt they would have to make some Washington contacts in order to get a real estate contract that was commercially viable.

Commissioner Smith stated that he was disappointed that this vacant shopping center was permitted to exist in the community for such a long time. He stated that he was no longer in support of this unless they found a way to remove the shopping center and put in landscaping while negotiations proceeded. He did not have any faith that this would happen and preferred they knock it down and have the developer agree to pay the City back after the closing.

Pete Witschen stated that progress had been made over the last few days and the developer came forward with a formula that he would proceed to knock down the buildings before closing. The problem was that when the center was demolished, one would be viewing the backside of an apartment complex that would be more offensive than the plaza. He stated they spoke with HUD who did not have the mechanism that before closing it could be demolished. If this got resolved, the developer could proceed. Pete Witschen stated that the biggest challenge was if the City's bureaucracy could issue a demolition permit within 2-3 weeks and asbestos surveys also had to be done.

Commissioner Smith was told that a more realistic progression of how demolition worked on a project of this size was at least 30 days. Asbestos certificates had to be gotten and there was a 10-day period for the County to get this situated after the test was taken which would take one week. All the water had to be disconnected and inspected and permits had to be pulled for that. Realistically, getting a permit before 3 weeks was unlikely.

Commissioner Moore stated that his concern was that he wanted the blight removed, but he was afraid that if the center was removed before the Housing Authority doing it simultaneously, you would be inviting vagrants on that property. If things were delayed on the 24th, he agreed they should move forward and use their resources.

The developer's only concern was that if the City proceeded forward and the City wanted the developer to pay for it, that they get a competitive price.

Motion made by Commissioner Moore to negotiate the contract with the two outstanding items to allow the City Manager and staff to work out the gray areas and execute the effort

of negotiation no later than Wednesday morning, July 24, 2002, and seconded by Commissioner Smith with the agreed upon discussion about the demolition. Commissioner Moore agreed.

Roll call showed: YEAS: Commissioners Smith, Moore, Hutchinson, Katz and Mayor Naugle. NAYS: None.

Mayor Naugle stated that since there was no further business regarding the CRA, the CRA was adjourned at 7:15 p.m. Mayor Naugle stated they would go back into session. He explained there was a walk on item regarding Barron Developers to go on the property for the purpose of investigation.

Motion made by Commissioner Smith and seconded by Commissioner Katz. Roll call showed: YEAS: Commissioners Smith, Moore, Hutchinson, Katz and Mayor Naugle. NAYS: None.

Mayor Naugle asked if there were any other items to come before the Commission for discussion.

Commissioner Hutchinson stated that the newspaper had had coverage regarding the Airport expansion being on and off. She stated that as an elected official she did not feel that the City was doing enough to explain its position, and she has heard from residents impacted by the Airport. She asked that an update be provided to the Commission at the next meeting regarding a public relations campaign. She stated that she represented most of the areas that were impacted by this expansion, and she felt the City was not saying enough that they supported the expansion of the south runway. She felt they needed to do more and asked for some guidance.

Mayor Naugle stated it was a good idea and asked the City Manager to come back before the Commission with a strategy. He stated that he had sent letters to all the mayors in the County and followed up with some phone calls.

Commissioner Hutchinson stated that she sits on the task force and was the "lone dog." She explained that she and one other person were in support of the expansion, and everyone else was against it. She felt they needed to get the word out as a City as to what they were promoting.

Commissioner Smith stated that if an appropriation was needed to help with some marketing tools, he felt they should consider it. The City Manager stated they would explore that with staff and the incoming and outgoing City Attorneys and would report back to the Commission.

There being no further business to come before the Commission, Mayor Naugle adjourned the meeting at approximately 7:39 p.m.

Jim Naugle
Mayor

ATTEST:

Lucy Kisela
City Clerk